

DRAFT ANNUAL BUDGET OF  
**DITSOBOTLA**  
**MUNICIPALITY**



2013/14 TO 2015/16  
MEDIUM TERM REVENUE AND EXPENDITURE  
FORECAST

## ABBREVIATIONS AND ACRONYMS

|       |   |
|-------|---|
| DME   | Department of Mineral and Energy              |
| DORA  | Division of Revenue Act                       |
| EPWP  | Extended Public Work Programme                |
| FMG   | Finance Management Grant                      |
| NMMDM | Ngaka Modiri Molema District Municipality     |
| IDP   | Integrated Development Plan                   |
| MFMA  | Municipal Finance Management Act              |
| MIG   | Municipal Infrastructure Grant                |
| MPAC  | Municipal Public Account Committee            |
| MSIG  | Municipal System Improvement Grant            |
| MTREF | Medium Term Revenue and Expenditure Framework |
| PMU   | Project Management Unit                       |
| PPE   | Property, Plant and Equipment                 |
| ISDG  | Infrastructure Skill Development Grant        |
|       |   |

## 2 BUDGET OVERVIEW: EXECUTIVE SUMMARY

### 2.1 Introduction

The 2013/2014 Medium Term Revenue and Expenditure Framework and the Multi-Year Budget has been prepared to reflect the three year plan of Ditsobotla Local Municipality. In addition, the directive from National Treasury based on MFMA circulars No 66 and 67 were used as the bases for preparation of this budget.

National Treasury has emphasized that the following areas needs to be given attention:

- i) Revenue Management – Billing Systems
- ii) Collecting Outstanding Debts – Political Commitments
- iii) Pricing Service Correctly – Management of Rebates and Subsidies
- iv) Under spending on repairs and maintenance
- v) Spending on low priorities – Luxury furnishing and excessive catering

The main challenges experienced in the 2012/2013 Budget can be summarized as follows:

- The increased cost of bulk purchases.
- The need to re-prioritise expenditure within the existing resource envelope given the cash flow realities and declining cash position.
- The state and lack of maintenance for infrastructure maintenance.
- Unavailability of own-funding for capital budget; and
- Inability to raise capital/borrowing.

Over and above the guidelines from National Treasury, the budget was also influenced by the following:

- The performance of 2012/2013 budget was used as baseline.
- CPI guidelines from National Treasury except where specific sector increases are prescribed.
- Tariff and property rate increases should be affordable and generally not to exceed inflation as measured by the CPI except where adjustment are justified and where price increase is prescribed or determined outside the municipality's powers.

In order to ensure sustainability of vision and financial viability of the municipality in the long term, municipal tariffs have adjusted as follows:

- Water: 5.5
- Electricity: 8%
- Property rates: 5.5%
- Sewerage: 5.5%
- Refuse Collection: 5.5%
- Miscellaneous: 5.5%

The municipality will still ensure that the poor are protected through the indigent support scheme as per the indigent policy and debt collection strategy.

The cash flow position of the municipality is expected to be under pressure for 2013/2014, a conservative approach to spending and utilization of Municipal assets will ensure that this matter is addressed.

## 2.2 Consolidated Overview

The total budget of the municipality is R371 million which comprises of R 335 Operating Budget and R36 million for total Capital Budget, details for the Multi-year Budget are given in the table below:

| Details                | Budget Year<br>2013/14 | Budget Year<br>2014/15 | Budget Year<br>2015/16 |
|------------------------|------------------------|------------------------|------------------------|
| Total Operating Budget | 335,623,004            | 354,865,618            | 376,427,078            |
| Total Capital Budget   | 36,347,224             | 43,333,033             | 56,391,788             |
| <b>Total</b>           | <b>371,970,228</b>     | <b>398,198,651</b>     | <b>432,818,866</b>     |

The total operating budget for 2013/2014 has increased with 8% compared to the 2012/2013 budget.

The total capital budget for 2013/2014 has decreased with 52% compared to the 2012/2013 due to the fact that our capital budget is reliant on grants only (MIG)

## 3 BUDGET SUMMARY AND ANALYSIS

### 3.1 Medium Term Outlook 2013/2014 – 2015/2016

#### CAPITAL BUDGET

The Capital Budget is directly informed by the needs of the community submitted through the IDP process. The Capital Budget is mainly funded through Grant Funding in terms of DORA.

#### OPERATING BUDGET

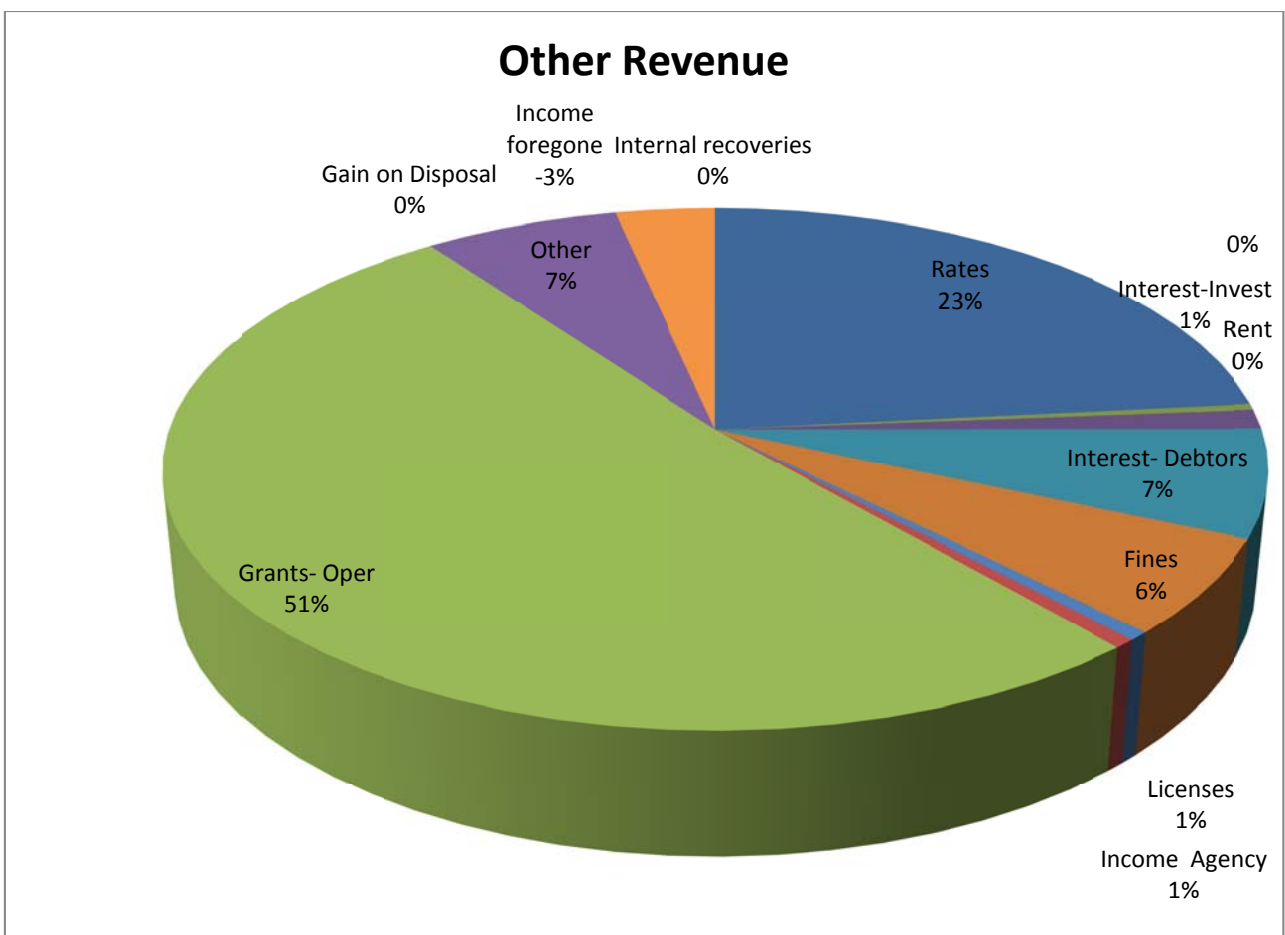
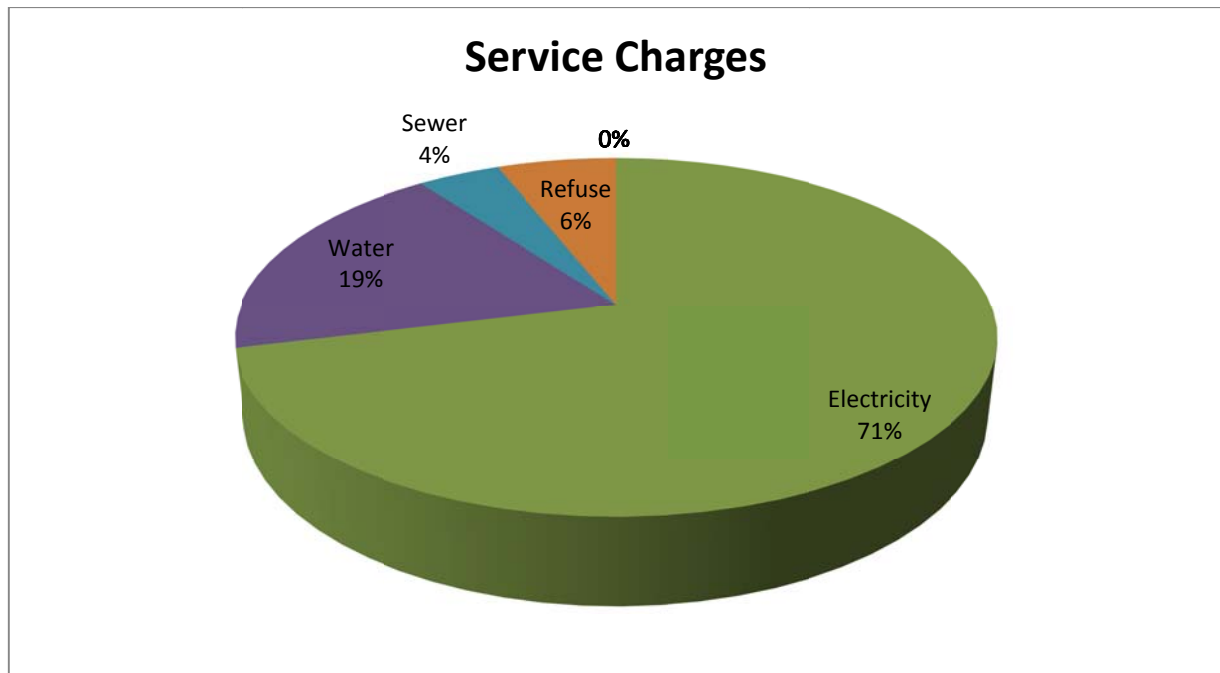
The Operating Budget which deals with the day to day operation of the municipality to ensure service delivery to the communities has conservatively increased for the MTEF. The growth could be attributed to mainly the following:

- Cost of bulk purchases
- Service Delivery back log
- Cost of repair and maintenance
- Employee related cost

### 3.2 Budget Analysis

#### 3.2.1 Operating Revenue per Source

| Revenue                         | Budget 2012-2013   | Actuals            | Indicative 2012-2013 | Indicative 2013-2014 | Indicative 2014-2015 |
|---------------------------------|--------------------|--------------------|----------------------|----------------------|----------------------|
| Property Rates – Monthly        | 39,120,000         | 10,232,000         | 41,271,431           | 43,376,274           | 45,501,712           |
| Service Charges                 | 174,280,000        | 114,062,000        | 175,072,249          | 187,612,344          | 196,805,349          |
| Rent of Facilities & Equipment  | 500,000            | 168,000            | 664,650              | 698,547              | 732,776              |
| Interest Earned – Ext Invest    | 2,000,000          | 0                  | 2,110,000            | 2,217,610            | 2,326,273            |
| Interest Earned – Outs. Debtors | 11,120,000         | 2,134,000          | 11,731,600           | 12,329,912           | 12,934,077           |
| Fines                           | 116,000            | 68,000             | 10,550,000           | 11,088,050           | 11,631,361           |
| Licenses & Permits              | 10,000,000         | 5,833,000          | 947,410              | 995,728              | 1,044,519            |
| Income from Agency Services     | 0                  | 0                  | 1,000,000            | 1,050,000            | 1,102,499            |
| Grants & Subs. Rec. – Operate   | 96,545,000         | 63,955,000         | 90,501,000           | 95,726,000           | 105,264,000          |
| Grants & Subs. Rec. – Capital   | 30,814,000         | 27,000,000         | 32,449,000           | 39,236,000           | 52,094,000           |
| Public Contr. & Donations       | 0                  | 901,000            | 0                    | 0                    | 0                    |
| Other Revenue                   | 594,000            | 0                  | 11,652,888           | 12,247,186           | 12,847,298           |
| Gain on Disposal of PPE         | 0                  | 0                  | 0                    | 0                    | 0                    |
| Less Income foregone            |                    | 0                  | 5,980,000            | 8,380,000            | 9,465,000            |
| Borrowing                       | 20,000,000         | 0                  |                      |                      |                      |
| <b>Total Revenue</b>            | <b>385,089,000</b> | <b>216,972,00</b>  | <b>371,970,228</b>   | <b>398,198,651</b>   | <b>432,818,866</b>   |
| Less Capital                    | -75,693,000        | -27,000,000        | 36,347,224           | 43,333,033           | 56,391,788           |
| <b>Total Operating Revenue</b>  | <b>309,396,000</b> | <b>189,972,000</b> | <b>335,623,004</b>   | <b>354,865,618</b>   | <b>376,427,078</b>   |



### **3.2.1.1 Property Rates**

The property rates show estimated revenue of R 41 million. An amount of R 5.9 million is budgeted for the income foregone in terms of rebates and discounts that are offered by the municipality for the indigents, pensioners and the areas where the municipality is not providing services. This therefore reduces this revenue component to R35million. This revenue stream contributes 12% of the total operating revenue.

In terms of Section 15(1)(b) of the Local Government: Municipal Property Rates Act, No 6 of 2004, read with Council's Property Rates Policy, the following reduction in market value and rebates should be granted on the rate levied for the Financial Year 2012/2013 to any owner of rateable property in the following circumstances:

- In terms of Section 17(h) of the Local Government: Municipal Property Rates Act, No6 of 2004, the impermissible value of the market value of a property assigned to the residential category in the valuation roll or supplementary valuation roll, be determined as R 60 000.
- Indigent households – Owner of residential property, registered in terms of Council's approved Indigent Policy, be subsidized in accordance with the Indigent Policy and will not form part of a rebate in terms of the MPRA.
- Child-headed households – That a child-headed household registered in terms of Council's approved Indigent Policy, be subsidized in accordance with the Indigent Policy and will not form part of a rebate in terms of the MPRA.
- Aged/Pensioners reduction, Disability grantees and Medically Boarded persons – that in addition to the reduction in terms of Section 17(h) of the Local Government: Municipal Property Rates Act, No 6 of 2004, subject to the requirements as set out in the Council's Property Rates Policy, an additional rebate be granted in respect of sliding scale based on average monthly earnings.

### **3.2.1.2 Service Charges**

Service charges include electricity, refuse, sewer and water. The R 175 million is made up of the following, water R32 million, Refuse R 10.5 million, Sewerage R 7.2 million and electricity R 124 million. The service charges contribute 52% of the total operating revenue.

### **3.2.1.3 Interest on Debtors**

Interest on debtors is guided by CPI and inflation rate as contained in Circular 66.

### **3.2.1.4 Agency Fees**

The function is done on behalf of Department of roads and transport and estimates for this revenue stream is R1mil

### **3.2.1.5 Grants and Subsidies**

#### **Operating**

The grants subsidies operational refers to the Equitable shares, Finance Management Grant, Municipal Systems Grant, Improvement Grant and the ISDG.

The revenue R90 million and is based on the allocation. This revenue stream contributes 26% of the total operating revenue.

### Capital

This relates to conditional grants and has increased from R 30 million to R 32 million. This contributes 9% to total revenue.

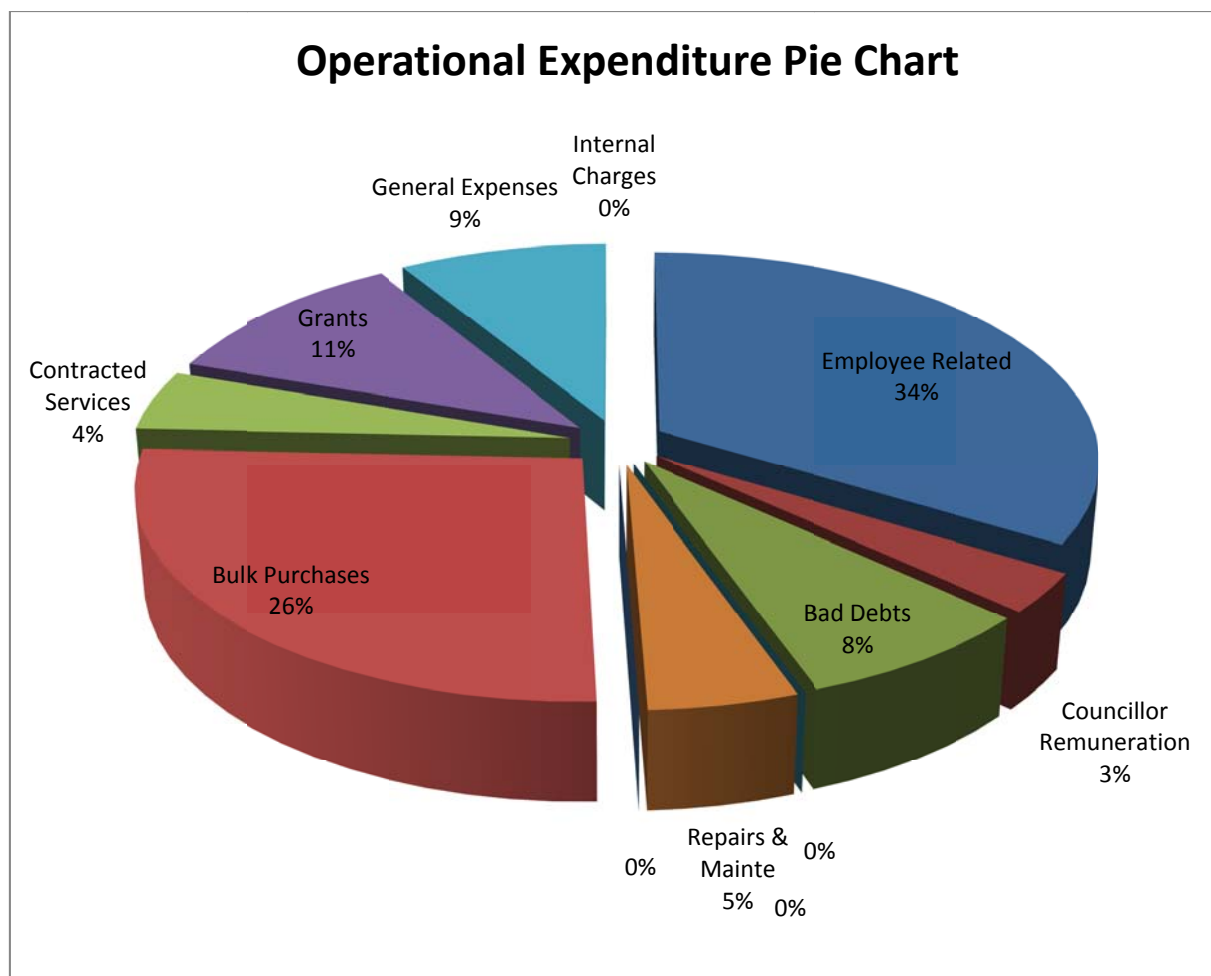
#### 3.2.1.6 Other Revenue

Other revenue streams contribute 3% on operating revenue.

#### 3.2.2 Operating Expenditure

| OPERATING EXPENDITURE            | Indicative 2012-2013 | Actuals            | Indicative 2013-2014 | Indicative 2014-2015 | Indicative 2015-2016 |
|----------------------------------|----------------------|--------------------|----------------------|----------------------|----------------------|
| Employee Related Costs           | 115,968,000          | 64,271,000         | 123,014,034          | 131,009,946          | 139,525,593          |
| Remuneration of Councilors       | 10,787,000           | 7,290,000          | 11,243,773           | 11,974,618           | 12,752,968           |
| Bad Debts                        | 27,000,000           | 0                  | 28,485,000           | 29,937,735           | 31,404,684           |
| Collection Costs                 | 0                    | 0                  | 0                    | 0                    | 0                    |
| Depreciation                     | 0                    | 0                  | 0                    | 0                    | 0                    |
| Repairs and Maintenance          | 15,505,000           | 4,416,000          | 17,412,375           | 15,405,205           | 15,132,660           |
| Interest Expenses                | 3,695,000            | 0                  | 0                    | 0                    | 0                    |
| Bulk Purchases                   | 82,760,000           | 58,097,000         | 95,896,600           | 112,500,673          | 121,438,244          |
| Water Purchases                  | 1,000,000            | 658,000            | 1,055,000            | 1,108,136            | 1,163,136            |
| Electricity Purchases            | 81,760,000           | 57,439,000         | 94,841,600           | 111,391,868          | 120,275,108          |
| Contracted Services              | 9,028,000            | 9,679,000          | 16,923,782           | 12,587,188           | 12,833,540           |
| Grants and Subsidies Paid        | 0                    | 25,302,000         | 39,871,000           | 46,010,000           | 59,205,000           |
| General Expenses – Other         | 80,658,000           | 10,144,000         | 31,869,103           | 31,148,742           | 32,528,030           |
| Internal Charges                 | 0                    | 0                  | 0                    | 0                    | 0                    |
| Asset Financing Fund             | 39,688,000           | 0                  | 3,898,224            | 4,097,033            | 4,297,788            |
| Depreciation Reserve             | 0                    | 0                  | 0                    | 0                    | 0                    |
| Total Expenditure                | 385,089,000          | 178,929,000        | 371,970,228          | 398,198,651          | 432,818,866          |
| Less Capital Grant funding & AFF | -75,693,000          | -22,624,000        | 36,347,224           | 43,333,033           | 56,391,788           |
| Surplus/deficit                  | 0                    | 0                  | 0                    | 0                    | 0                    |
| <b>Total Expenditure</b>         | <b>309,396,000</b>   | <b>156,305,000</b> | <b>335,623,004</b>   | <b>354,865,618</b>   | <b>376,427,078</b>   |





### 3.2.1 Employee Related Cost

Employee related cost has been based on the current organization structure and provision has been made for 6.95% increase pending the salary and wage negotiation outcome. The expenditure category represents 37% of the total expenditure.

### 3.2.2 Remuneration of Councillors

Provision has been made for 6.95% increase for remuneration of Councillors.

### 3.2.3 General Expenditure

General expenditure increased with an average of 5.5%. This expenditure category is influenced by general inflation, diesel and petrol increases.

### 3.2.4 Bulk Purchases

The bulk purchases for water and electricity for the 2013/2014 financial year increased to 95 million which is 29% of the total operating expenditure. The expenditure category is influenced by Eskom increases and CPIX which is 16% and 5.5% on water.

### 3.2.5 Repairs and Maintenance

Repairs and maintenance of various infrastructures has been increased with an average of 5.5%. Caution should be noted most assets of the municipality are old and they require regular repairs and maintenance for the effective service delivery to the community. The municipality also does not have the maintenance plan in place.

### 3.2.6 Contracted Services

Contracted Services has been increased with an average of 5.5%. This expenditure category is influenced by various contractual obligations with Service Providers.

## 3.3 Capital Budget

The total Capital Budget amount to 36 million. The total grants funding in terms of DORA amount to R32million. The details are as follows:

### 3.3.1 DORA Allocation

| Details                        | 2012/2013 | Indicative<br>2013-14 | Indicative<br>2014-2015 | Indicative<br>2015-2016 |
|--------------------------------|-----------|-----------------------|-------------------------|-------------------------|
| Municipal Infrastructure Grant |           | 32,029,000            | 34,236,000              | 37,094,000              |
| DoE                            | -         | 420,000               | 5,000,000               | 15,000,000              |
|                                |           | <b>32,449,000</b>     | <b>39,236,000</b>       | <b>52,094,000</b>       |

### 3.3.2 Own Funding

| Funding               | 2012/2013 | Indicative<br>2013-14 | Indicative<br>2014-2015 | Indicative<br>2015-2016 |
|-----------------------|-----------|-----------------------|-------------------------|-------------------------|
| Assets Financing Fund |           | 3,898,224             | 4,037,033               | 4,297,788               |
|                       |           | <b>3,898,224</b>      | <b>4,037,033</b>        | <b>4,297,788</b>        |

### 3.3.3 Project Details

| SOURCE |  | Department           | Indicative<br>2012-2013 | Indicative<br>2013-2014 | Indicative<br>2014-2015 |
|--------|--|----------------------|-------------------------|-------------------------|-------------------------|
| MIG    | Installation of high mast lights(Itsoseng)               | Electricity          | 23,59,196               | 0                       | 0                       |
| MIG    | Installation of Shiela high mast lights                  | Electricity          | 640,804                 | 0                       | 0                       |
| MIG    | Costruction of waste disposal site in Itsoseng           | Waste Water Manage   | 7,012,824               | 0                       | 0                       |
| MIG    | Costruction of waste disposal site in Biesiesvlei        | Waste Water Manage   | 4,000,000               | 0                       | 0                       |
| MIG    | Fencing of Cemeteries (All Areas)                        | Community Services.  | 3,877,703               | 0                       | 0                       |
| MIG    | Ugrading of gravel access road around ditsobotla         | Road Transport       | 1,912,665               | 0                       | 0                       |
| MIG    | Contrucon of thusong Centre in Bodibe.                   | Community and Social | 500,000                 | 0                       | 0                       |
| MIG    | Construction of SMME Stallas in Lichtenburg.             | LED                  | 0                       | 0                       | 0                       |
| MIG    | Contrucon of roads and stormwater in Bodibe ward 17 & 18 | Roads                | 9,976,140               | 0                       | 0                       |
| MIG    | Contrucon of roads and Storm water in Sheila ward 3      | Sport & Recreation   | 2,392,668               | 0                       | 0                       |
| DoE    | Electrification of Houses                                | Waste Water Manage.  | 420,000                 | 5,000,000               | 15,000,000              |
| MIG    | Unallocated  |                      |                         | 34,236,000              | 37,094,000              |
| AFF    | Purchase of Vehicles                                     | Community services   | 3,898,224               | 4,097,033               | 4,297,788               |
|        |  |                      | <b>36,347,224</b>       | <b>43,333,033</b>       | <b>56,391,788</b>       |

## 4. CHALLENGES 2012/2013

### 4.1 Cash Flow

The municipality experienced negative cash flow as a result non billing which leads to non-payment by consumers

## 5. BUDGET PROCESS

### 5.1 Overview

The budget process is an effective process that the municipality must undertake to ensure good governance and to promote accountability. Budgeting is primarily about priorities and choices that the municipality has to make in deciding how to meet the objectives set for service delivery. The budget preparation process is guided by the following legislative requirements:

- Municipal Budget and Reporting Regulation
- Municipal Finance Management Act
- Municipal System Act
- Municipal Structures Act

The process started with the approval of the IDP and Budget timetable in August 2012 which included the process plan for the formulation of the new IDP.

Communities will be consulted wherein a ward based plan will be developed to deal with infrastructure requirement of the municipality.

Projects will be identified and prioritize taking into consideration the funding available.

## **5.2 Political Oversight**

Section 53(1)(a) states that the Executive Mayor must provide political guidance over the budget process and the priorities that must guide the preparation of the budget.

It is also entrusted to the Executive Mayor to ensure that the budget is approved on time and that the Service Delivery and Budget Implementation plans are developed and approved.

## **5.3 Consultation Process**

Section 22 of the Municipal Finance Management Act requires that after tabling the Draft Annual Budget, the municipality must avail the budget to public and also invite local community to submit comments on the approved budget.

Consultative meetings will be held during April 2013 wherein the budget will be presented to the communities.

## **5.4 Schedule of Key Deadlines**

One of the objectives of the budget timetable is to ensure that there is interaction between the development of the IDP and budget. The budget time table was approved by Council on the 31<sup>st</sup> of August 2012, thus 10 months before the start of the financial year.

# **6. BUDGET ASSUMPTION**

## **6.1 Key Financial Indicators**

Budget assumption / parameters are determined before the budget process, guided by the economic outlook, movement in terms of markets and the National Treasury guidelines. All steps have been taken to be in line with National Treasury Guidelines, however the following factor affect the municipal operation and the budget should be accordingly:

- Anticipated high fuel price
- High Salaries
- Increase by Eskom

Key budget parameters used in developing the operation budget.

| Description           | 2012/13 | 2013/14 | 2014/15 |
|-----------------------|---------|---------|---------|
| Inflation             | 5.5     | 5.1%    | 4.9%    |
| Remuneration:         |         |         |         |
| Employees             | 6.95    | 6.5%    | 6.5%    |
| Councilors            | 6.95    | 6.5%    | 6.5%    |
| Fuel / Diesel         | 6%      | 6%      | 6%      |
| Water Purchases       | 5.5%    | 5.1%    | 4.9%    |
| Electricity Purchases | 16%     | 16%     | 16%     |
| General Expenditure   | 5.5     | 5.1%    | 4.9%    |

## 6.2 Credit Rating

The Municipality has not undergone a credit rating.

## 6.3 Borrowing and Investments

The MFMA permits the borrowing for long-term if it is for the acquisition of capital goods such as plant, equipment and infrastructure. Currently the municipality is not considering any long term borrowing except for short- term in the form of an overdraft.

Currently the municipality has no investments and only call accounts are utilized upon receipts of grants.

## 6.4 Rates, Tariffs, Charges and Timing of Revenue Collection

Accounts for rates, refuse, electricity, water and sanitation are issued on a monthly basis and are due and payable before the 15<sup>th</sup> of the month. Recovery procedures for non-payment may be commenced within 15 days of payment default. The electricity supply is cut and water supply is restricted when a client defaults. The municipality is committed in ensuring that collection levels are improved and that credit control will be enforced those who can afford and not honoring their municipal accounts.

## **6.7 Average Salary Increases**

An estimated 6.95% has been applied across the board on the new structure.

## **6.8 Changing Demand Characteristics**

The demand for services is increasing yearly as the municipality is expected to deliver services to the poor of the poorest and pressure to reduce poverty.

## **7. OVERVIEW OF BUDGET RELATED POLICIES AND AMENDMENTS**

The municipality's budgeting process is guided and governed by the relevant legislation and related policies.

The purpose of the budget related policies is to govern and guide the budget process and inform the projections of the medium term.

Listed below with a brief description are the municipality's budget related policies. These policies are available from the municipality on request.

The accounting policy is reviewed on an ongoing basis to incorporate changes required by the relevant Accounting Standards, apart from the changes to these policies as part of the budget process.

Budget related policies are attached.

### **7.1 Virement Policy**

The Virement policy establishes the framework for managers to manage their respective budgets within limitations, and also to ensure good budgeting practice and effective financial management. The Virement policy has been amended to improve budgetary controls.

### **7.2 Accounting policy**

The accounting policy guides the preparation of the Annual Financial Statements and is reviewed each year during the preparation to ensure compliance with Generally Recognized Accounting standards and other guiding principles such as International Financial Reporting.

### **7.3 Supply Chain Management Policy**

The supply chain management policy was adopted and amendments are as result of council resolution.

### **7.4 Credit control and Debt collection policy**

The council adopted a policy a few amendments have been made to give clear indication in terms indigents, s 118 on the issuing of rates clearance and the outstanding debt.

## **7.6 Property Rates policy**

## **7.7 Tariff policy**

The tariff policy covers levying of tariffs, fees and charges for municipal services. The tariff policy details electricity, water, sewer, refuse removal and miscellaneous tariffs.

## **7.8 Fixed Asset Management Policy**

The asset policy is designed to ensure management of Municipal assets in efficient and effective manner with regard to acquisition, utilization, control maintenance and disposal of assets. The policy guides Directorates in their responsibility and duties for control of their assets.

# **8 OVERVIEW OF BUDGET FUNDING**

The municipality does not display a sound financial profile, the liquidity levels signals negative effect that needs urgent attention.

## **8.1 Funding of the Operating Budget**

| Description     | Percentage |
|-----------------|------------|
| Property Rates  | 12%        |
| Service Charges | 52%        |
| Grants          | 26%        |
| Other           | 10%        |

# **9 DISCLOSURE ON IMPLEMENTATION OF MFMA AND OTHER LEGISLATION**

## **9.1 Budget**

The amount budget has been developed in terms of the MFMA Circular and Reporting Regulation and National Treasury Requirements. Budget has been tabled within the required legislative timeframes. It has also compiled in line with budget related policies,thus Virement Policy,

Accounting policy, Supply Chain Management Policy, Credit control and Debt collection policy, Revenue policy on tariff setting modeling, Fixed Asset Management Policy.

## **9.2 Budget and Treasury Office**

A budget and treasury office has been established.

## **9.3 Audit Committee**

The Audit Committee has not yet been established and shared - services is used.

## **9.4 Municipal Public Accounts Committee**

The committee has been established and is supported by various sub-committees.

# **10. ANNUAL BUDGET SCHEDULE**

The Budget schedules are attached.

# **11. SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN**

The SDBIP is a key management implementation and monitoring tool, which provides operational content to the end-of-year service delivery targets, set in the budget and IDP.

The SDBIP will be tabled after the final budget approval in May as per the requirement of the legislation.

# **12. BUDGET RELATED RECOMMENDATIONS**

12.1 That the report on the Medium Term Revenue and Expenditure Framework for 2013/14 and the indicative allocations for the outer years **BE APPROVED**.

12.2 That in terms of Section 24 of the Municipal Finance Management Act, Act 56 of 2003, the Medium Term Revenue and Expenditure Framework for 2013/14 amounting to R 371 million Operating Budget and R 36 million Capital Budget; and the indicative allocations for the outers years; and the multiyear and single year capital appropriations are **APPROVED** as follows:



|           |   |  |
|-----------|---|--|
| Table A1  | : | Budget Summary   |
| Table A2  | : | Financial Performance                                    |
| Table A3  | : | Budgeted Financial Performance per vote                  |
| Table A4  | : | Budgeted Financial Performance (Revenue and Expenditure) |
| Table A5  | : | Capital Expenditure per Vote                             |
| Table A6  | : | Financial Position                                       |
| Table A7  | : | Cash Flow  |
| Table A8  | : | Reserves   |
| Table A9  | : | Assets   |
| Table A10 | : | Basic Service delivery Measurement                       |

**QUALITY CERTIFICATION**

I..... (Print Name), Municipal Manager of Ditsobotla local Municipality, hereby certify that the Adjustment budget have been prepared accordance with the Municipal Finance Management Act and the regulations made under the Act.

Signature .....

Date .....

I..... (Print Name), Acting Chief Finance Officer of Ditsobotla local Municipality, hereby certify that the Adjustment budget have been prepared accordance with the Municipal Finance Management Act and the regulations made under the Act.

Signature .....

Date .....